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January 30, 2001

Honorable Michael K. Powell, Esq, Chairman Federal Communications Commission The Portals 445 Twelfth Street, SW Washington, DC 20554

Re: **Further Notice of Proposed Rulemaking** CSB Docket No. 95-184 (MDU Inside Wiring)

Dear Chairman Powell:

First, I would like to congratulate you on your new position. Speaking on behalf of IMCC, I hope to work with you and the other Commissioners on enhancing competition in the communications industry, with particular emphasis on the multi-dwelling unit ("MDU") marketplace.

We are communications providers and MDU users working together for the benefit of residents.

IMCC (formerly "ICTA") stands for Independent Multi-Family Communications Council, a trade association representing private communications operators ("PCOs"), equipment manufacturers, program distributors, broadband Internet service providers ("ISPs") and residential property management and development companies, with over 2 1/2 million units nationwide. IMCC members employ a variety of communications technologies, including wired, wireless and direct broadcast satellite ("DBS"), to serve the residential MDU market, which includes some 30 million households. IMCC members compete primarily with both franchised cable operators and incumbent local exchange carriers ("LECs"). Without the competition fostered by IMCC members and other

Honorable Michael K. Powell January 30, 2001 Page 2

emerging technology companies, MDU owners and managers, but primarily residents, would have little choice among cable and telecommunications providers.

As you know, there is currently pending in the Cable Services Bureau the above-captioned rulemaking, which revises the Commission's rules governing the disposition of cable inside wiring (47 C.F.R. §§ 76.800 *et seq.*). Included in that item is a *Second Further Notice of Proposed Rulemaking* that attempts to defeat or reduce some of the barriers to competitive entry into the MDU marketplace by independent (non-franchised) MVPDs. Four components of the *Further Notice* are of particular importance to IMCC members because they directly impact improved communications products and service for MDU residents:

First, a proposed "fresh look" policy with regard to so-called "perpetual" contracts that lock in the franchised cable operator as the exclusive provider of cable television services to MDU buildings for as long as the operator's franchise is renewed. The "fresh look" would allow property owners to renegotiate or reject such "perpetual" contracts in order to allow residents to enjoy the benefits of service from competitive providers.

Second, a ban on exclusive service contracts lasting longer than ten years. The attachment to this letter conclusively demonstrates the competitive benefits of limited term exclusive contracts - insofar as they allow alternative providers to recover their initial investment in wiring MDU buildings - thus providing a competitive alternative to monopolistic incumbent providers.

Third, improvements to the FCC MDU Inside Wiring Rules which are essential for competition to occur in the MDU environments. For instance, this would include a re-definition of the demarcation point for cable inside wiring, allowing competitive providers to interconnect with existing wiring at the point where it first becomes physically accessible, *i.e.*, at the so-called "lock-box," rather than being concealed behind brick, concrete, conduit, wallboard or plaster.

Fourth, federal preemption or other effective regulatory actions to reduce or eliminate the negative effects of state mandatory access statutes, which only further entrench the dominant franchised providers

We at IMCC applaud the FCC's efforts to introduce much-needed competition among MVPDs in the huge (*i.e.*, roughly one-third of America's population, and growing) MDU marketplace. We sincerely hope that you can help in ushering this crucial rulemaking through the administrative process, in order that MDU residents, property owners and alternative providers may enjoy the fruits of genuine competition in this important segment of the market.

Please call me if you have any questions or concerns.

Honorable Michael K. Powell January 30, 2001 Page 3

Sincerely yours,

William J. Burhop Executive Director

cc: Marsha McBride

Susan Eid Kyle Dixon

Attachments: June 6, 2000 Ex Parte Filing